# STATE OF COLORADO NEIGHBORHOOD STABILIZATION PROGRAM 2

#### APPLICATION SUMMARY

This NSP2 Application is another significant step in the continuing efforts of the State of Colorado through the Division of Housing to convene, lead, and coordinate the State's response to the foreclosure crisis affecting so many areas of our state.

Neighborhoods in all parts of Colorado are facing the destabilizing impact of significant foreclosure and abandonment. Just as a large city or county seeks to respond to the foreclosure crisis that strikes a variety of its neighborhoods, the State of Colorado has drawn together partners from various neighborhoods under the umbrella of this consolidated application for NSP2 funds. What unites the state and its partners in developing an overall stabilization program is the commitment to focus these vital resources to respond to the needs of distressed families seeking affordable housing as the basic building block of returning to success and prosperity in the new economy that Colorado is endeavoring to create.

Participating partners have identified specific disadvantaged populations that will be the focus of outreach and marketing efforts as well as jobs created by NSP2.

In Englewood, participants in the Family Self Sufficiency program who have prepared for home ownership will find units fully rehabilitated including cost effective energy features that will help ensure successful tenure rather than falling into a trap in a marginal property with looming maintenance issues.

Longmont will collaborate with its partners such as the Boulder County Family Self-Sufficiency Program, Center for People with Disabilities, the PIE Program (IDA matched savings program), the local Veteran's Services agency and the local Housing Authority for families with low HAP payments under the Housing Choice Voucher program for potential families that are credit worthy and ready for home ownership opportunities. The city operates two Homeownership Programs serving families with incomes in the 60% to 80% AMI range. In addition, all city assistance for rental housing development is required to keep the units affordable at 50% AMI or below with most at 40% AMI.

The SE area of Colorado Springs and Fountain efforts will build on the ADI programs that work with veterans and wounded warriors, providing jobs and housing as part of their comprehensive peer navigator program that provides one-on-one mentors for veterans and their families.

Proposed Target Geography - The State's partners in this effort and the specific proposed stabilizing actions include:

**Denver Metro Target Areas** 

Denver - Denver's NSP 2 will target 20 census tracts with over 3,700 homes in foreclosure. On average, the foreclosure rate for these census tracts is nearly 18%. At least 15 housing units in foreclosure will be purchased, rehabilitated and sold to individuals or non-profit orgs. Denver will also provide second mortgages to enable homebuyers to purchase rehabilitated homes. Estimated Cost - \$2,925,000

Englewood - The NSP2 Project will acquire 10 single-family, vacant, foreclosed properties that are located within 7 target census tracts in the City of Englewood. The properties will be sold to families with priority to families at or below 50% AMI who are participating in local family self-sufficiency programs. Down payment assistance will be available to purchasers requiring such assistance. Estimated Cost - \$3,200,000

Longmont - Acquisition, rehabilitation, and resale of 10 homes is proposed. Estimates are that 3 will require minimal rehabilitation, 3 moderate rehabilitation and 4 needing substantial rehabilitation before being sold to income eligible households (up to 120 of area median). Longmont will also seek to acquire and rehabilitate 15 units of rental housing.

Estimated Cost - \$3,612,800

### Other Urban Target Areas

Colorado Springs - Colorado Springs plans to acquire and rehabilitate 10 single family foreclosed homes in the SE target areas. Estimated Cost - \$2,300,000

Fountain – Colorado Springs - Funds will be used to purchase four multi-family developments easily accessible to Fort Carson and other SE-area families, renovating them, and creating low- and middle-income family rental housing as well as job opportunities for our wounded warriors and disadvantaged individuals. These properties will be renovated over a three year period. After renovation, housing units will be rented to eligible families.

Estimated Cost - \$20,000,000

Greeley - Funds will be used to acquire, rehabilitate and resell (or rent) approximately 18 foreclosed properties located in 6 census tracts with significant numbers of foreclosed property. The properties will be sold to eligible buyers. Funds may also be used to provide mortgage assistance on favorable terms to assist eligible purchasers.

Estimated Cost - \$3,030,000

Milliken - Funds will be used to acquire, rehabilitate and resell (or rent) approximately 6 foreclosed properties located in Milliken. Estimated Cost - \$1,125,000

Pueblo - Pueblo will undertake NSP2 funded activities in two target areas, referred to as the Southside (Bessemer) and Eastside neighborhoods. Proposed activities include the acquisition, rehabilitation and resale of 15 single family homes, the redevelopment of 10 single family lots, and may also include two multi-family complexes.

Estimated Cost - \$6,130,000

Pueblo County (Pueblo West) - Proposed activity involves acquisition, rehabilitation, and resale of approximately 6 foreclosed homes in the Pueblo West area where 3 census tracts show high foreclosure activity. Funds will also be available to provide down payment assistance to eligible buyers. Estimated Cost - \$966,000

## **Rural Target Areas**

Bent-Crowley-Otero County - This target area includes 9 census tracts with an average foreclosure/vacancy risk score of 18.67. Through Tri-County Housing, 12 units will be purchased, rehabilitated and resold to eligible families. Estimated Cost - \$1,320,000

Grand County - Funds will be used to acquire five to six abandoned/foreclosed properties in Grand Lake and deed restrict the units that will be available for resale to households meeting income levels at or below 120% of AMI, with the average anticipated about 90% of AMI.

Estimated Cost - \$1,000,000

Walsenburg - Acquisition of 7 homes will be completed with 4 made available for rental through the local Housing Authority and 3 sold to income eligible buyers. Estimated Cost - \$1,395,000

#### Use of NSP2 Funds - Budget Summary

ACTIVITY TYPE	BUDGET
Financing Mechanisms	\$1,085,000
Acquisition-Rehabilitation-Resale (Rent)	\$40,953,800
Land Bank	\$0
Demolition	\$0
Redevelopment	\$4,965,000
SUBTOTAL (90%)	\$47,003,800
Administration (State & Partners – 10%)	\$5,222,644
TOTAL	\$52,226,444